

**STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT**

IN THE MATTER OF:)	
)	
TIMOTHY JOHN ROTH CRD #722565)	Case No. 1100183
(CRD #722565))	
D/B/A KEYOP EXERCISE, INC.)	
)	

ORDER OF PROHIBITION

TO RESPONDENTS:	TIMOTHY J. ROTH 2203 FLETCHER ST. URBANA, ILLINOIS 61801
	KEYOP EXERCISE, INC. 2203 FLETCHER ST. URBANA, ILLINOIS 61801

WHEREAS, a Temporary Order of Prohibition was issued by the Secretary of State on March 25, 2011 which prohibited Respondent Timothy J. Roth ("Roth") from providing investment advice in the State of Illinois and prohibited Keyop Exercise, Inc. ("Keyop") from offering or selling securities in or from the State of Illinois until further order from the Secretary of State or his duly authorized representative;

WHEREAS, pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"), the failure to request a hearing within thirty (30) calendar days of the entry of the Temporary Order shall constitute an admission of any facts alleged therein and constitute a sufficient basis to make the Temporary Order final;

WHEREAS, Roth and Keyop have failed to request a hearing on the matters contained in the Temporary Order within thirty (30) calendar days of the entry of said Temporary Order and, therefore, Roth is hereby deemed to have admitted the facts alleged in the said Temporary Order;

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WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Findings of Fact contained in the said Temporary Order as the Secretary of State's Findings of Fact as follows:

1. On March 15, 2011 a Temporary Order of Prohibition and Suspension was issued against Timothy John Roth ("Roth") suspending his registrations in Illinois as an investment advisor representative and as a salesperson, as well as temporarily prohibiting him from offering or selling securities.
2. Roth, with a last known address of 2203 Fletcher Street in Urbana Illinois, was, from January 2, 2007 to February 28, 2011, an Illinois registered investment advisor representative for Comprehensive Capital Management, Inc., ("CCM," a Federally Covered Investment Advisor) and was from January 25, 2005 to February 28, 2011 an Illinois registered securities salesperson for Comprehensive Asset Management and Servicing, Inc. ("CAMAS," an Illinois Registered Securities Dealer).
3. Roth was also the President of Keyop Exercise, Inc. ("Keyop"), an Illinois business entity incorporated in March of 2003 and that was involuntarily dissolved in August of 2004, with a last known business address of 670 W. Wayman Street., Apt. 1003, in Chicago Illinois.
4. On or about February 28, 2011, CCM and CAMAS terminated Roth's employment after an internal review by the Qualified Custodian for CCM and/or CAMAS triggered an inquiry into money being diverted from accounts of at least 5 large institutional employers under Roth's investment management and for which he was the designated investment advisor representative and/or securities salesperson.
5. Roth, in 2003, established a securities account in the name of Keyop with the same Qualified Custodian at which 72 CCM accounts were held for Roth to manage.
6. Subsequent to the opening of the Keyop account at the above referenced Qualified Custodian, Roth also signed account documents in order to open a margin capability for the Keyop account and to engage in options trading for the Keyop account.
7. Roth also opened a second Keyop account with another separate securities dealer.
8. Roth maintained standing instructions for most of the accounts with the Qualified Custodian providing that Keyop could transfer assets from the respective accounts without obtaining a signed request for each transfer.
9. In at least two instances clients had revoked the standing instructions, but nevertheless Roth, through Keyop, initiated a transfer of assets from those accounts.

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10. In one of the instances touched upon, above, Roth initiated the liquidation of assets in the customer's account during December of 2010 for proceeds totaling \$1,649,516.00 and made disbursements to five third-party accounts.
11. At least four of those third-party accounts are held by entities that Roth is the founder, president and/or officer of including: VCN Celect.org, VCOMM Network of Canada, and Mezolink.
12. Roth has diverted at least \$5,000,000.00 from customer account to accounts under his control including the above-referenced Keyop accounts.
13. Section 12.F of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to engage in any transaction, practice or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
14. Section 12.G of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.
15. Section 12.J of the Act provides, *inter alia*, that it shall be a violation of the Act for any person, when acting as an investment advisor, by any means or instrumentality, directly or indirectly: (1) [t]o employ any device, scheme, or artifice to defraud any client or prospective client; (2) [t]o engage in any transaction, practice or course of business which operates as a fraud or deceit upon any client or prospective client; or (3) [t]o engage in any act, practice or course of business which is fraudulent, deceptive, or manipulative.
16. Section 11.F(2) of the Act provides, *inter alia*, that the Secretary of State may temporarily prohibit or suspend the offer or sale of any securities by any person, or the business of rendering any investment advice, without notice and prior hearing, if the Secretary of State shall deem it necessary to prevent an imminent violation of the Act or to prevent losses to investors that will occur as a result of prior violations of the Act.

PROHIBITION

17. That the aforementioned findings are based upon credible evidence.
18. On March 25, 2011, the Secretary of State issued a Temporary Order of Prohibition, based upon the findings detailed above, and effectuated service of said Temporary Order Prohibition upon Respondents by Registered Mailing to the last known address.

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19. The Temporary Order of Prohibition advised Roth and Keyop that they may request a hearing, and that the failure to do so within thirty (30) days of entry of the Temporary Order of Prohibition would constitute an admission of any facts alleged therein and shall constitute sufficient basis to make the Order permanent.
20. Neither Roth nor Keyop have requested a hearing within thirty (30) days of entry of the Temporary Order of Prohibition and, therefore, pursuant to Section 11.F (2) of the Act, all factual allegations contained in the Order have been admitted as true by Roth and Keyop and are sufficient to make the Temporary Order of Suspension and Prohibition final.

NOW THEREFORE IT IS HEREBY ORDERED: That pursuant to Section 11.F of the Act, Respondent Timothy J. Roth is hereby **PERMANENTLY PROHIBITED** from providing investment advice and Keyop Exercise, Inc. is **PERMANENTLY PROHIBITED** from offering or selling securities in or from Illinois and from providing investment advice.

Dated: This 5th day of May, 2011.



JESSE WHITE

Secretary of State
State of Illinois

Attorney for the Secretary of State:

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